



AMIGOS FOR CHRIST and AFFILIATE

Consolidated Financial Statements  
With Independent Auditors' Report

December 31, 2018 and 2017

# AMIGOS FOR CHRIST and AFFILIATE

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Amigos for Christ and Affiliate  
Buford, Georgia

We have audited the accompanying consolidated financial statements of Amigos for Christ (a nonprofit corporation) and Affiliate, which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to consolidated financial statements.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors  
Amigos for Christ and Affiliate  
Buford, Georgia

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Amigos for Christ and Affiliate as of December 31, 2018 and 2017, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As described in Note 2 to the consolidated financial statements, the Organization has adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. This has had a material effect on the presentation of the December 31, 2018 and 2017 consolidated financial statements. Our opinion is not modified with respect to this matter.

*Capin Crouse LLP*

Lawrenceville, Georgia  
May 7, 2019

# AMIGOS FOR CHRIST and AFFILIATE

## Consolidated Statements of Financial Position

|   | December 31,        |                     |
|---|---------------------|---------------------|
|   | <u>2018</u>         | <u>2017</u>         |
| <b>ASSETS:</b>                            |                     |                     |
| Cash and cash equivalents                 | \$ 2,121,541        | \$ 1,985,904        |
| Certificates of deposit                   | 1,315,715           | 802,753             |
| Prepaid expenses and other current assets | 87,966              | 93,186              |
| Inventory                                 | 371,537             | 214,366             |
| Property and equipment—net                | <u>970,969</u>      | <u>1,076,339</u>    |
| Total Assets                              | <u>\$ 4,867,728</u> | <u>\$ 4,172,548</u> |
| <b>LIABILITIES AND NET ASSETS:</b>        |                     |                     |
| Liabilities:                              |                     |                     |
| Accounts payable and accrued expenses     | <u>\$ 339,031</u>   | <u>\$ 270,203</u>   |
| Net assets:                               |                     |                     |
| Without donor restrictions                | 3,574,726           | 3,556,078           |
| With donor restrictions                   | <u>953,971</u>      | <u>346,267</u>      |
|   | <u>4,528,697</u>    | <u>3,902,345</u>    |
| Total Liabilities and Net Assets          | <u>\$ 4,867,728</u> | <u>\$ 4,172,548</u> |

See notes to consolidated financial statements

# AMIGOS FOR CHRIST and AFFILIATE

## Consolidated Statements of Activities

Year Ended December 31,

|  | 2018                          |                            |                  | 2017                          |                            |                   |
|--|-------------------------------|----------------------------|------------------|-------------------------------|----------------------------|-------------------|
|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total            | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total             |
| <b>SUPPORT AND REVENUE:</b>            |                               |                            |                  |                               |                            |                   |
| Contributions                          | \$ 1,439,745                  | \$ 2,034,117               | \$ 3,473,862     | \$ 1,212,494                  | \$ 1,405,520               | \$ 2,618,014      |
| Donated goods and services             | 2,255,386                     | -                          | 2,255,386        | 10,808,355                    | -                          | 10,808,355        |
| Donated securities                     | 34                            | 10,284                     | 10,318           | 42,763                        | -                          | 42,763            |
| Missions outreach                      | 119,194                       | -                          | 119,194          | 449,477                       | -                          | 449,477           |
| Investment income                      | 33,687                        | -                          | 33,687           | 16,270                        | -                          | 16,270            |
| Other revenue                          | 125,470                       | -                          | 125,470          | 69,279                        | -                          | 69,279            |
| <b>Total Support and Revenue</b>       | <b>3,973,516</b>              | <b>2,044,401</b>           | <b>6,017,917</b> | <b>12,598,638</b>             | <b>1,405,520</b>           | <b>14,004,158</b> |
| <b>RECLASSIFICATIONS:</b>              |                               |                            |                  |                               |                            |                   |
| Net Assets Released from Restrictions: |                               |                            |                  |                               |                            |                   |
| Satisfaction of purpose restrictions   | 1,436,697                     | (1,436,697)                | -                | 1,682,135                     | (1,682,135)                | -                 |
| <b>EXPENSES:</b>                       |                               |                            |                  |                               |                            |                   |
| Program services:                      |                               |                            |                  |                               |                            |                   |
| Water and sanitation                   | 481,171                       | -                          | 481,171          | 324,817                       | -                          | 324,817           |
| Health care                            | 2,006,183                     | -                          | 2,006,183        | 10,510,191                    | -                          | 10,510,191        |
| Education and nutrition                | 449,468                       | -                          | 449,468          | 722,087                       | -                          | 722,087           |
| Economic development                   | 205,292                       | -                          | 205,292          | 164,705                       | -                          | 164,705           |
| Missions outreach                      | 788,001                       | -                          | 788,001          | 713,186                       | -                          | 713,186           |
| Project support                        | 888,466                       | -                          | 888,466          | 652,047                       | -                          | 652,047           |
|  | <b>4,818,581</b>              | <b>-</b>                   | <b>4,818,581</b> | <b>13,087,033</b>             | <b>-</b>                   | <b>13,087,033</b> |

(continued)

See notes to consolidated financial statements

## AMIGOS FOR CHRIST and AFFILIATE

### Consolidated Statements of Activities (continued)

Year Ended December 31,

|   | 2018                          |                            |               | 2017                          |                            |                |
|---|-------------------------------|----------------------------|---------------|-------------------------------|----------------------------|----------------|
|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total         | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total          |
| EXPENSES, continued:                                      |                               |                            |               |                               |                            |                |
| Supporting activities:                                    |                               |                            |               |                               |                            |                |
| General and administrative                                | 310,325                       | -                          | 310,325       | 323,088                       | -                          | 323,088        |
| Fundraising   | 195,894                       | -                          | 195,894       | 179,008                       | -                          | 179,008        |
|   | 506,219                       | -                          | 506,219       | 502,096                       | -                          | 502,096        |
| <br>Total Expenses  | <br>5,324,800                 | <br>-                      | <br>5,324,800 | <br>13,589,129                | <br>-                      | <br>13,589,129 |
| <br>Change in Net Assets before Translation<br>Adjustment | <br>85,413                    | <br>607,704                | <br>693,117   | <br>68,762                    | <br>346,267                | <br>415,029    |
| Translation Adjustment                                    | (66,765)                      | -                          | (66,765)      | (37,313)                      | -                          | (37,313)       |
| Change in Net Assets                                      | 18,648                        | 607,704                    | 626,352       | 31,449                        | 346,267                    | 377,716        |
| Net Assets, Beginning of Year                             | 3,556,078                     | 346,267                    | 3,902,345     | 3,524,629                     | -                          | 3,524,629      |
| Net Assets, End of Year                                   | \$ 3,574,726                  | \$ 953,971                 | \$ 4,528,697  | \$ 3,556,078                  | \$ 346,267                 | \$ 3,902,345   |

See notes to consolidated financial statements

# AMIGOS FOR CHRIST and AFFILIATE

## Consolidated Statements of Cash Flows

|   | Year Ended December 31, |              |
|---|-------------------------|--------------|
|   | 2018                    | 2017         |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |                         |              |
| Change in net assets  | \$ 626,352              | \$ 377,716   |
| Adjustments to reconcile change in net assets<br>to net cash provided (used) by operating activities: |                         |              |
| Depreciation  | 118,382                 | 112,160      |
| Gain on disposition of property and equipment   | (20,237)                | (7,466)      |
| Change in:  |                         |              |
| Prepaid expenses and other current assets   | 5,220                   | (54,323)     |
| Inventory   | (157,171)               | (69,038)     |
| Accounts payable and accrued expenses   | 68,828                  | 109,128      |
| Net Cash Provided by Operating Activities   | 641,374                 | 468,177      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>  |                         |              |
| Acquisitions of property and equipment  | (75,569)                | (22,750)     |
| Change in property and equipment due to currency translation  | 60,941                  | 34,807       |
| Purchase of certificates of deposit   | (512,962)               | (496,850)    |
| Proceeds from disposition of property and equipment   | 21,853                  | 7,466        |
| Net Cash Used by Investing Activities   | (505,737)               | (477,327)    |
| Change in Cash and Cash Equivalents   | 135,637                 | (9,150)      |
| Cash and Cash Equivalents, Beginning of Year  | 1,985,904               | 1,995,054    |
| Cash and Cash Equivalents, End of Year  | \$ 2,121,541            | \$ 1,985,904 |

See notes to consolidated financial statements



# AMIGOS FOR CHRIST and AFFILIATE

## Notes to Consolidated Financial Statements

December 31, 2018 and 2017

### 1. NATURE OF ORGANIZATION:

Amigos for Christ (AFC) is a not-for-profit corporation established in 1999. As a not-for-profit corporation, AFC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (Code). AFC is also classified as a publicly supported organization, which is not a private foundation as defined by Section 170(b) of the Code. The primary source of support and revenue is from donor contributions.

AFC supports Amigos por Cristo (AFC–NICA), an affiliated Nicaraguan entity, by providing funding, volunteers, and goods and services. The mission of AFC and AFC–NICA (collectively referred to as the Organization) is to serve God by providing opportunities for missionaries and impoverished families to grow through life-changing experiences. The Organization’s vision is to be a model community development organization that facilitate water, health, education, economic, and infrastructure improvements in rural Nicaragua. The Organization accomplishes this mission and vision primarily through program services described below:

*Water and sanitation*—water is the first step to changing lives. We drill wells and build water and sanitation systems. Working alongside the community we are serving, we create an infrastructure to produce 100 gallons of water each day at every home. In addition, our modern bathroom model promotes sanitary living conditions by utilizing a flush-toilet and shower.

*Health care*—(a) preventative care: through modeling the behaviors of the healthiest families in each community, we create a plan for family hygiene that will decrease the instances of preventable illness such as kidney disease, anemia, and respiratory disease; (b) restorative care: working alongside the Nicaraguan Ministry of Health, we support the existing infrastructure to increase access to medical attention and prescribed medicines for the undeserved; (c) surgical care: working alongside the Nicaraguan Ministry of Health and local hospitals, we provide surgical services to those who are suffering and have no alternatives.

*Education and nutrition*—working alongside the community and the Nicaraguan Ministry of Education, we create an infrastructure to increase the percentage of children who complete primary and secondary school. We achieve this by building schools and feeding centers, offering scholarships, and encouraging extra-curricular activities, such as after-school and theater programs.

*Economic development*—for families within the communities we serve, we create and provide capital resources to increase their income level to a minimum of \$15 a day. We do this through agricultural loans, animal ownership and reproduction programs, and community-based cooperative businesses.

*Missions outreach*—contact with people who voluntarily want to be an instrument of God and serve Him by serving the most dispossessed. The Organization receives over 1,700 volunteers a year to support the execution of various projects.

# AMIGOS FOR CHRIST and AFFILIATE

## Notes to Consolidated Financial Statements

December 31, 2018 and 2017

1. NATURE OF ORGANIZATION, continued:

*Project support and leadership*—AFC–NICA owns, operates, and maintains a mission complex in Nicaragua to house visiting mission trip participants. We have close to 2,000 visitors every year. This complex also holds our Nicaraguan headquarters which includes office space, warehouses, and a fleet of vehicles, all of which are necessary to support our daily operations. In the communities we serve, our goal is for communities to lead, own, and operate every project. In 2018, 152 community leaders were trained, equipped, and encouraged to lead 19 communities in life transformation. Two new CAPS water committees were elected and established by the communities of El Pedregal and La Danta to manage their water systems. 21 new community development leaders were selected in El Pedregal and La Danta to lead the way in developing health, education, and economic development programs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Organization maintains its accounts and prepares its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States. The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

### PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the balances and financial activities of AFC and AFC–NICA. All significant intercompany transactions and balances have been eliminated from the consolidated financial statements.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, checking, savings, and money market accounts, with maturities of three months or less. The amounts held at the bank may, at times, exceed federally insured deposit levels. The Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and cash equivalents. At December 31, 2018 and 2017, the Organization's cash balances exceeded federally insured limits by \$1,371,541 and \$1,233,394, respectively.

### CERTIFICATES OF DEPOSIT

Certificates of deposit include bank deposits with original maturities of three months or more. They are measured at cost plus accrued interest.

# AMIGOS FOR CHRIST and AFFILIATE

## Notes to Consolidated Financial Statements

December 31, 2018 and 2017

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of various receivables as well as miscellaneous prepaid expenses. Receivables are reported net of any anticipated losses due to uncollectible accounts. The Organization's policy for determining when receivables are past due or delinquent is 30 days after invoicing. Uncollectible accounts are reported as additions to the allowance for bad debts when it is determined the amounts are uncollectible.

The allowance for doubtful accounts is maintained at a level which, in management's judgment, is adequate to absorb potential losses inherent in the receivable portfolio. The amount of the allowance is based on management's evaluation of the collectability of the receivable portfolio, including the nature of the portfolio, trends in historical loss experience, specific impaired accounts, and economic conditions. For the years ended December 31, 2018 and 2017, in management's opinion, no allowance for doubtful accounts is deemed necessary.

#### INVENTORY

Donated inventory is stated at its estimated fair value on the date of receipt and consists of items such as medicines and household goods to be used in Nicaragua. All inventory consists of finished goods. Purchased inventory is stated at the lower of cost (based on the average cost basis) or net realizable value and consists of materials used in the construction of water and sanitation systems, as well as in the construction of modern bathrooms. Management periodically evaluates the net realizable value of all inventory to ensure that any impairments are recognized in the period in which they are incurred. At December 31, 2018 and 2017, no reserve for obsolescence has been recorded, as management believes all inventory is useable.

#### PROPERTY AND EQUIPMENT—NET

Property and equipment is stated at cost at date of acquisition or fair market value at date of donation in the case of gifts. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets ranging from three to seven years. Purchases of property and equipment valued at \$1,000 or more are capitalized. The Organization elects to account for property and equipment in Nicaragua in accordance with the functional currency provisions of the *Foreign Currency Matters* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). This has resulted in translation adjustments of \$60,941 and \$34,807 in 2018 and 2017, respectively, to property and equipment with functional currencies that differ from the reporting currency.

#### CLASSES OF NET ASSETS

The consolidated financial statements report amounts separately by class of net assets.

*Net assets without donor restriction* are currently available for operating purposes under the direction of the board, designated by the board for specific use, or resources invested in property and equipment.

*Net assets with donor restriction* are contributed with donor stipulations for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled.

# AMIGOS FOR CHRIST and AFFILIATE

## Notes to Consolidated Financial Statements

December 31, 2018 and 2017

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### CLASSES OF NET ASSETS, continued

All contributions are considered to be without donor restriction unless specifically restricted by the donor or subject to other legal restrictions.

#### SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to the Organization. Donated goods and services are recorded at their estimated fair market value on the date of donation.

The Organization reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated amounts. Gifts are reported as without donor restriction if they are spent in the same period. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as reclassifications.

The Organization reports gifts of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Donated goods (consisting of medicines and medical supplies) are recorded at its estimated fair value at the date of donation.

Donated services are reported as contributions if the services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Donated services meeting the criteria for recognition in the consolidated financial statements totaled \$107,866 and \$128,778 for the years ended December 31, 2018 and 2017, respectively.

Numerous volunteers donate significant amounts of time and perform a variety of tasks, assisting the Organization in its charitable programs. Although no amounts have been reflected in the consolidated financial statements because the criteria for recognition of such efforts under generally accepted accounting principles have not been satisfied, management estimates the fair value of those services to be approximately \$98,000 and \$550,000 for the years ended December 31, 2018 and 2017, respectively.

# AMIGOS FOR CHRIST and AFFILIATE

## Notes to Consolidated Financial Statements

December 31, 2018 and 2017

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### FOREIGN OPERATIONS

In connection with its ministry, AFC supports AFC–NICA, an affiliated Nicaraguan entity, by providing funding, volunteers, and goods and services. As of December 31, 2018 and 2017, current assets in Nicaragua, including cash and cash equivalents and prepaid expenses and other current assets totaled \$548,884 and \$339,422, respectively; property and equipment, net of accumulated depreciation, amounted to \$970,969 and \$1,076,339, respectively; and liabilities in Nicaragua were \$491,909 and \$249,231, respectively. Total support and revenue received in Nicaragua, before any eliminations, amounted to \$1,646,151 during 2018, and \$1,495,724 during 2017. Account balances relating to Nicaraguan operations are reflected in the consolidated financial statements in United States dollars.

#### RECENTLY ISSUED ACCOUNTING STANDARD

In 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The Organization adopted the provisions of this new standard during the year ended December 31, 2018. In addition to changes in terminology used to describe categories of net assets throughout the consolidated financial statements, new disclosures were added regarding liquidity and the availability of resources (see Note 12), and disclosures related to functional allocation of expenses were expanded (see Note 7).

### 3. PREPAID EXPENSES AND OTHER CURRENT ASSETS:

Prepaid expenses and other current assets consist of:

|                  | December 31,     |                  |
|------------------|------------------|------------------|
|                  | 2018             | 2017             |
| Receivables      | \$ 73,183        | \$ 78,623        |
| Prepaid expenses | 14,783           | 14,563           |
|                  | <u>\$ 87,966</u> | <u>\$ 93,186</u> |

Receivables consist of amounts due from communities, advances to employees, and other receivables.

### 4. INVENTORY:

Inventory consist of:

|           | December 31,      |                   |
|-----------|-------------------|-------------------|
|           | 2018              | 2017              |
| Purchased | \$ 229,122        | \$ 191,282        |
| Donated   | 142,415           | 23,084            |
|           | <u>\$ 371,537</u> | <u>\$ 214,366</u> |

# AMIGOS FOR CHRIST and AFFILIATE

## Notes to Consolidated Financial Statements

December 31, 2018 and 2017

5. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net consist of:

|                               | December 31, |              |
|-------------------------------|--------------|--------------|
|                               | 2018         | 2017         |
| Land                          | \$ 144,882   | \$ 136,488   |
| Buildings and improvements    | 1,078,939    | 1,144,439    |
| Furniture and equipment       | 31,370       | 33,276       |
| Machinery and small tools     | 91,007       | 96,532       |
| Vehicles                      | 312,530      | 315,856      |
|                               | 1,658,728    | 1,726,591    |
| Less accumulated depreciation | (695,047)    | (657,982)    |
|                               | 963,681      | 1,068,609    |
| Construction in process       | 7,288        | 7,730        |
|                               | \$ 970,969   | \$ 1,076,339 |

6. NET ASSETS:

Net assets consist of:

|                                    | December 31, |              |
|------------------------------------|--------------|--------------|
|                                    | 2018         | 2017         |
| Without donor restrictions:        |              |              |
| Undesignated                       | \$ 2,603,757 | \$ 2,479,739 |
| Equity in property and equipment   | 970,969      | 1,076,339    |
|                                    | \$ 3,574,726 | \$ 3,556,078 |
| With donor restrictions:           |              |              |
| Infrastructure, water, and schools | \$ 864,045   | \$ 317,040   |
| Health, education, and nutrition   | 88,184       | -            |
| Economic development and training  | 1,742        | 29,227       |
|                                    | \$ 953,971   | \$ 346,267   |

## AMIGOS FOR CHRIST and AFFILIATE

### Notes to Consolidated Financial Statements

December 31, 2018 and 2017

7. EXPENSES BY BOTH NATURE AND FUNCTION:

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. These expenses include depreciation and amortization, utilities, insurance, telecommunications, supplies, facilities operations, and repairs and maintenance. Building depreciation for Nicaragua is allocated based on square footage, while Property and Equipment depreciation is allocated based on usage. Insurance is expensed to the appropriate program, and staff events are allocated to our Human Resources budget. Total expense includes all operating and non-operating expenses.

Functional expenses by natural classification as of December 31, 2018:

|                               | Program Services     |                     |                         |                      |                   |                   | Supporting Activities |                        |                   |                   |                     |
|-------------------------------|----------------------|---------------------|-------------------------|----------------------|-------------------|-------------------|-----------------------|------------------------|-------------------|-------------------|---------------------|
|                               | Water and Sanitation | Healthcare          | Education and Nutrition | Economic Development | Missions Outreach | Project Support   | Total                 | Management and General | Fundraising       | Total             | Total               |
| Salaries and related benefits | \$ 115,566           | \$ 31,959           | \$ 117,574              | \$ 66,794            | \$ 558,311        | \$ 521,695        | \$ 1,411,899          | \$ 147,525             | \$ 127,380        | \$ 274,905        | \$ 1,686,804        |
| Operations                    | 32,172               | 18,368              | 4,321                   | 10,114               | 35,461            | 45,760            | 146,196               | 747                    | 19,958            | 20,705            | 166,901             |
| Financial expenses            | 115                  | -                   | -                       | 486                  | 27,694            | 43,129            | 71,424                | 7,164                  | 2,433             | 9,597             | 81,021              |
| Media and advertising         | -                    | -                   | -                       | -                    | 7,945             | 11,924            | 19,869                | -                      | 29,381            | 29,381            | 49,250              |
| Travel and conferences        | 40,840               | 428                 | 2,597                   | 1,198                | 13,042            | 29,199            | 87,304                | 3,262                  | 12,836            | 16,098            | 103,402             |
| Professional services         | 28,478               | 7,369               | 22,864                  | 6,731                | 5,531             | 24,391            | 95,364                | 27,402                 | -                 | 27,402            | 122,766             |
| Other operating expenses      | 263,770              | 15,961              | 115,916                 | 119,969              | 112,023           | 197,295           | 824,934               | 1,962                  | 25                | 1,987             | 826,921             |
| Occupancy                     | -                    | -                   | -                       | -                    | 15,168            | 15,073            | 30,241                | 3,881                  | 3,881             | 7,762             | 38,003              |
| Donated goods and services    | 230                  | 1,932,098           | 186,196                 | -                    | 12,826            | -                 | 2,131,350             | -                      | -                 | -                 | 2,131,350           |
| Depreciation                  | -                    | -                   | -                       | -                    | -                 | -                 | -                     | 118,382                | -                 | 118,382           | 118,382             |
| <b>Total</b>                  | <b>\$ 481,171</b>    | <b>\$ 2,006,183</b> | <b>\$ 449,468</b>       | <b>\$ 205,292</b>    | <b>\$ 788,001</b> | <b>\$ 888,466</b> | <b>\$ 4,818,581</b>   | <b>\$ 310,325</b>      | <b>\$ 195,894</b> | <b>\$ 506,219</b> | <b>\$ 5,324,800</b> |

# AMIGOS FOR CHRIST and AFFILIATE

## Notes to Consolidated Financial Statements

December 31, 2018 and 2017

7. EXPENSES BY BOTH NATURE AND FUNCTION, continued:

Expenses by natural classification as of December 31, 2017:

|                               | Program              | Supporting Activities  |                   |                   | Total                |
|-------------------------------|----------------------|------------------------|-------------------|-------------------|----------------------|
|                               |                      | Management and General | Fundraising       | Total             |                      |
| Salaries and related benefits | \$ 1,082,426         | \$ 144,605             | \$ 113,505        | \$ 258,110        | \$ 1,340,536         |
| Operations                    | 126,016              | 4,492                  | 20,257            | 24,749            | 150,765              |
| Financial expenses            | 79,065               | 8,138                  | 1,766             | 9,904             | 88,969               |
| Media and advertising         | 6,680                | -                      | 33,106            | 33,106            | 39,786               |
| Travel and conferences        | 107,131              | 10,821                 | 7,875             | 18,696            | 125,827              |
| Professional services         | 129,056              | 31,332                 | -                 | 31,332            | 160,388              |
| Other operating expenses      | 679,155              | 9,859                  | 555               | 10,414            | 689,569              |
| Occupancy                     | 15,596               | 1,681                  | 1,944             | 3,625             | 19,221               |
| Donated goods and services    | 10,861,908           | -                      | -                 | -                 | 10,861,908           |
| Depreciation                  | -                    | 112,160                | -                 | 112,160           | 112,160              |
| <b>Total</b>                  | <b>\$ 13,087,033</b> | <b>\$ 323,088</b>      | <b>\$ 179,008</b> | <b>\$ 502,096</b> | <b>\$ 13,589,129</b> |



# AMIGOS FOR CHRIST and AFFILIATE

## Notes to Consolidated Financial Statements

December 31, 2018 and 2017

8. RELATED PARTY TRANSACTIONS:

For the years ended December 31, 2018 and 2017, the Organization paid wages to related parties in the amount of \$211,010 and \$167,062, respectively.

9. LEGAL MATTERS:

From time to time, the Organization may be subject to legal proceedings which arise in the ordinary course of the Organization's operations. Although there can be no assurance as to the ultimate disposition of these matters, the Organization's management believes that the final disposition of such matters will not have a material adverse effect on the financial position or results of operations of the Organization.

10. EMPLOYEE BENEFIT PLAN:

AFC maintains a Simple IRA Plan (the Plan). The Plan allows employees to contribute a percentage of their compensation to the Plan. AFC has elected to make a 3% matching contribution of the employee's compensation. AFC contributions to the Plan totaled \$24,488 and \$18,651 for the years ended December 31, 2018 and 2017, respectively.

11. CONCENTRATIONS:

Two donors contributed 11% and 91% of donated goods and services for the years ended December 31, 2018 and 2017, respectively. All of the foreign operations of AFC are concentrated in Nicaragua.

12. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects the Organization's financial assets as of December 31, 2018 and 2017, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year; this includes certain certificates of deposit. The Organization considers general expenditures to be all expenditures related to its ongoing activities of water and sanitation, healthcare, education and nutrition, economic development, missions outreach, and project support, as well as the conduct of services undertaken to support those activities to be general expenditures.

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization has a policy to maintain enough liquid assets in the form of cash and cash equivalents and certificates of deposit to meet general expenditures for one year.

# AMIGOS FOR CHRIST and AFFILIATE

## Notes to Consolidated Financial Statements

December 31, 2018 and 2017

12. LIQUIDITY AND FUNDS AVAILABLE, continued:

|  | December 31,        |                     |
|--|---------------------|---------------------|
|  | <u>2018</u>         | <u>2017</u>         |
| Financial assets:  |                     |                     |
| Cash and cash equivalents  | \$ 2,121,541        | \$ 1,985,904        |
| Certificates of deposit  | <u>1,315,715</u>    | <u>802,753</u>      |
| Financial assets, at year-end  | <u>3,437,256</u>    | <u>2,788,657</u>    |
| Less those unavailable for general expenditure within one year, due to:                |                     |                     |
| Certificates of deposit with original maturity beyond one year                         | <u>(1,315,715)</u>  | <u>(802,753)</u>    |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 2,121,541</u> | <u>\$ 1,985,904</u> |

13. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through May 7, 2019, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

## **SUPPLEMENTARY DATA**

**INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTARY DATA**

Board of Directors  
Amigos for Christ and Affiliate  
Buford, Georgia

We have audited the consolidated financial statements of Amigos for Christ (AFC) and Affiliate (collectively referred to as the Organization) as of and for the years ended December 31, 2018 and 2017, and have issued our report thereon dated May 7, 2019, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary data (the Data) on pages 18 - 21 is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such Data is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The Data has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Data is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Capin Crouse LLP*

Lawrenceville, Georgia  
May 7, 2019

# AMIGOS FOR CHRIST and AFFILIATE

## Consolidating Statement of Financial Position

December 31, 2018

|  | Amigos for<br>Christ<br>(United States) | Amigos por<br>Cristo<br>(Nicaragua) | Eliminations | Total               |
|--|---|-------------------------------------|--------------|---------------------|
| <b>ASSETS:</b>                               |   |                                     |              |                     |
| Cash and cash equivalents                    | \$ 1,875,491                            | \$ 246,050                          | \$ -         | \$ 2,121,541        |
| Certificates of deposit                      | 1,315,715                               | -                                   | -            | 1,315,715           |
| Prepaid expenses and other<br>current assets | 14,254                                  | 73,712                              | -            | 87,966              |
| Inventory                                    | 142,415                                 | 229,122                             | -            | 371,537             |
| Due to/from affiliate                        | 23,184                                  | (23,184)                            | -            | -                   |
| Property and equipment—net                   | -                                       | 970,969                             | -            | 970,969             |
| <b>Total Assets</b>                          | <b>\$ 3,371,059</b>                     | <b>\$ 1,496,669</b>                 | <b>\$ -</b>  | <b>\$ 4,867,728</b> |
| <b>LIABILITIES AND NET ASSETS:</b>           |   |                                     |              |                     |
| <b>Liabilities:</b>                          |   |                                     |              |                     |
| Accounts payable and<br>accrued expenses     | \$ 43,907                               | \$ 295,124                          | \$ -         | \$ 339,031          |
| <b>Net assets</b>                            | <b>3,327,152</b>                        | <b>1,201,545</b>                    | <b>-</b>     | <b>4,528,697</b>    |
| <b>Total Liabilities and Net Assets</b>      | <b>\$ 3,371,059</b>                     | <b>\$ 1,496,669</b>                 | <b>\$ -</b>  | <b>\$ 4,867,728</b> |

See independent auditors' report on supplementary data

# AMIGOS FOR CHRIST and AFFILIATE

## Consolidating Statement of Financial Position

December 31, 2017

|  | Amigos for<br>Christ<br>(United States) | Amigos por<br>Cristo<br>(Nicaragua) | Eliminations | Total               |
|--|---|-------------------------------------|--------------|---------------------|
| <b>ASSETS:</b>                               |   |                                     |              |                     |
| Cash and cash equivalents                    | \$ 1,893,907                            | \$ 91,997                           | \$ -         | \$ 1,985,904        |
| Certificates of deposit                      | 802,753                                 | -                                   | -            | 802,753             |
| Prepaid expenses and other<br>current assets | 13,859                                  | 79,327                              | -            | 93,186              |
| Inventory                                    | 46,268                                  | 168,098                             | -            | 214,366             |
| Property and equipment–net                   | -                                       | 1,076,339                           | -            | 1,076,339           |
| <b>Total Assets</b>                          | <b>\$ 2,756,787</b>                     | <b>\$ 1,415,761</b>                 | <b>\$ -</b>  | <b>\$ 4,172,548</b> |
| <b>LIABILITIES AND NET ASSETS:</b>           |   |                                     |              |                     |
| <b>Liabilities:</b>                          |   |                                     |              |                     |
| Accounts payable and<br>accrued expenses     | \$ 20,972                               | \$ 249,231                          | \$ -         | \$ 270,203          |
| <b>Net assets</b>                            | <b>2,735,815</b>                        | <b>1,166,530</b>                    | <b>-</b>     | <b>3,902,345</b>    |
| <b>Total Liabilities and Net Assets</b>      | <b>\$ 2,756,787</b>                     | <b>\$ 1,415,761</b>                 | <b>\$ -</b>  | <b>\$ 4,172,548</b> |

See independent auditors' report on supplementary data

# AMIGOS FOR CHRIST and AFFILIATE

## Consolidating Statement of Activities

Year Ended December 31, 2018

|  | Amigos for<br>Christ<br><u>(United States)</u> | Amigos por<br>Cristo<br><u>(Nicaragua)</u> | <u>Eliminations</u> | <u>Total</u>        |
|--|--|--|---------------------|---------------------|
| <b>SUPPORT AND REVENUE:</b>                        |  |  |                     |                     |
| Contributions                                      | \$ 3,473,862                                   | \$ 1,689,480                               | \$ (1,689,480)      | \$ 3,473,862        |
| Donated goods and services                         | 2,250,681                                      | 4,705                                      | -                   | 2,255,386           |
| Donated securities                                 | 10,318   | -  | -                   | 10,318              |
| Missions outreach                                  | 119,194  | -  | -                   | 119,194             |
| Investment income                                  | 28,940   | 4,747                                      | -                   | 33,687              |
| Other revenue                                      | 4,650  | 120,820                                    | -                   | 125,470             |
| Total Support and Revenue                          | <u>5,887,645</u>                               | <u>1,819,752</u>                           | <u>(1,689,480)</u>  | <u>6,017,917</u>    |
| <b>EXPENSES:</b>                                   |  |  |                     |                     |
| Program services:                                  |  |  |                     |                     |
| Water and sanitation                               | 518,133  | 383,085                                    | (420,047)           | 481,171             |
| Health care  | 2,011,766                                      | 57,864                                     | (63,447)            | 2,006,183           |
| Education and nutrition                            | 469,123  | 203,717                                    | (223,372)           | 449,468             |
| Economic development                               | 224,223  | 196,205                                    | (215,136)           | 205,292             |
| Missions outreach                                  | 811,534  | 243,905                                    | (267,438)           | 788,001             |
| Project support                                    | 932,467  | 456,040                                    | (500,041)           | 888,466             |
|  | <u>4,967,245</u>                               | <u>1,540,816</u>                           | <u>(1,689,480)</u>  | <u>4,818,581</u>    |
| Supporting activities:                             |  |  |                     |                     |
| General and administrative                         | 133,169  | 177,156                                    | -                   | 310,325             |
| Fundraising  | 195,894  | -  | -                   | 195,894             |
|  | <u>329,063</u>                                 | <u>177,156</u>                             | <u>-</u>            | <u>506,219</u>      |
| Total Expenses                                     | <u>5,296,308</u>                               | <u>1,717,972</u>                           | <u>(1,689,480)</u>  | <u>5,324,800</u>    |
| Change in Net Assets before Translation Adjustment | 591,337  | 101,780                                    | -                   | 693,117             |
| Translation Adjustment                             | -  | (66,765)                                   | -                   | (66,765)            |
| Change in Net Assets                               | 591,337  | 35,015                                     | -                   | 626,352             |
| Net Assets, Beginning of Year                      | <u>2,735,815</u>                               | <u>1,166,530</u>                           | <u>-</u>            | <u>3,902,345</u>    |
| Net Assets, End of Year                            | <u>\$ 3,327,152</u>                            | <u>\$ 1,201,545</u>                        | <u>\$ -</u>         | <u>\$ 4,528,697</u> |

See independent auditors' report on supplementary data

# AMIGOS FOR CHRIST and AFFILIATE

## Consolidating Statement of Activities

Year Ended December 31, 2017

|  | Amigos for<br>Christ<br><u>(United States)</u> | Amigos por<br>Cristo<br><u>(Nicaragua)</u> | <u>Eliminations</u> | <u>Total</u>        |
|--|--|--|---------------------|---------------------|
| <b>SUPPORT AND REVENUE:</b>                        |  |  |                     |                     |
| Contributions                                      | \$ 2,683,350                                   | \$ 1,434,144                               | \$ (1,499,480)      | \$ 2,618,014        |
| Donated goods and services                         | 10,808,355                                     | -  | -                   | 10,808,355          |
| Donated securities                                 | 42,763   | -  | -                   | 42,763              |
| Missions outreach                                  | 449,477  | -  | -                   | 449,477             |
| Investment income                                  | 13,261   | 3,009                                      | -                   | 16,270              |
| Other revenue                                      | 10,708   | 58,571                                     | -                   | 69,279              |
| Total Support and Revenue                          | <u>14,007,914</u>                              | <u>1,495,724</u>                           | <u>(1,499,480)</u>  | <u>14,004,158</u>   |
| <b>EXPENSES:</b>                                   |  |  |                     |                     |
| Program services:                                  |  |  |                     |                     |
| Water and sanitation                               | 355,088  | 224,010                                    | (254,281)           | 324,817             |
| Health care  | 10,520,377                                     | 75,382                                     | (85,568)            | 10,510,191          |
| Education and nutrition                            | 759,966  | 280,313                                    | (318,192)           | 722,087             |
| Economic development                               | 186,035  | 157,851                                    | (179,181)           | 164,705             |
| Missions outreach                                  | 747,825  | 256,340                                    | (290,979)           | 713,186             |
| Project support                                    | 696,245  | 327,080                                    | (371,278)           | 652,047             |
|  | <u>13,265,537</u>                              | <u>1,320,976</u>                           | <u>(1,499,480)</u>  | <u>13,087,033</u>   |
| Supporting activities:                             |  |  |                     |                     |
| General and administrative                         | 137,821  | 185,267                                    | -                   | 323,088             |
| Fundraising  | 179,008  | -  | -                   | 179,008             |
|  | <u>316,829</u>                                 | <u>185,267</u>                             | <u>-</u>            | <u>502,096</u>      |
| Total Expenses                                     | <u>13,582,366</u>                              | <u>1,506,243</u>                           | <u>(1,499,480)</u>  | <u>13,589,129</u>   |
| Change in Net Assets before Translation Adjustment | 425,548  | (10,519)                                   | -                   | 415,029             |
| Translation Adjustment                             | -  | (37,313)                                   | -                   | (37,313)            |
| Change in Net Assets                               | 425,548  | (47,832)                                   | -                   | 377,716             |
| Net Assets, Beginning of Year                      | <u>2,310,267</u>                               | <u>1,214,362</u>                           | <u>-</u>            | <u>3,524,629</u>    |
| Net Assets, End of Year                            | <u>\$ 2,735,815</u>                            | <u>\$ 1,166,530</u>                        | <u>\$ -</u>         | <u>\$ 3,902,345</u> |

See independent auditors' report on supplementary data